

ENVIRONMENTAL QUALITY

CHAPTER 80

TAX CERTIFICATION - POLLUTION CONTROL EQUIPMENT AND ENERGY FACILITIES

Subchapter 2

Tax Abatement and Classification

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Subchapter 2

Tax Abatement and Classification

17.80.201 DEFINITIONS As used in this subchapter, unless indicated otherwise, the following definitions apply:

(1) "Department" means the Department of Environmental Quality provided for in Title 2, chapter 15, part 39, MCA. (History: 15-24-3116, MCA; IMP, 15-24-3112, MCA; NEW, 2008 MAR p. 1027, Eff. 5/23/08.)

17.80.202 CERTIFICATION OF ELIGIBILITY FOR TAX ABATEMENT OR CLASSIFICATION AS CLASS FOURTEEN OR FIFTEEN PROPERTY (1) A taxpayer who wishes to obtain a certificate of eligibility for abatement of property tax liability under 15-24-3116, MCA, for classification of property as class fourteen property under 15-6-157 and 15-24-3116, MCA, or for classification of property as class fifteen property under 15-6-158 and 15-24-3116, MCA, shall submit to the department a completed application for certification on a form available from the department.

(2) Within 30 days of receipt of an application pursuant to (1), the department shall determine whether the application is complete and notify the applicant in writing of its determination. The time for this determination may be extended upon written consent of the applicant. If the department determines that the application is incomplete, the department shall also describe the deficiencies. The applicant may then supplement the application or submit a new application.

(3) Within 60 days of a determination of completeness pursuant to (2), the department shall issue a certification or deny the application and notify the applicant of its decision in writing. The time for this determination may be extended upon written consent of the applicant. If the department denies the application, it shall include in the notice a statement of the reasons that the application was denied and a notification of the applicant's right to review of the denial pursuant to 15-24-3112, MCA. If the department grants the certification, it shall also notify the Department of Revenue in writing.

(4) A certification remains in effect until revoked pursuant to this subchapter. (History: 15-24-3116, MCA; IMP, 15-6-157, 15-6-158, 15-6-3112, MCA; NEW, 2008 MAR p. 1027, Eff. 5/23/08.)

17.80.203 APPLICATION REQUIREMENTS AND DECISION CRITERIA:
ALTERNATING CURRENT TRANSMISSION LINES UNDER 15-6-157(1)(q), MCA

(1) A person who wishes to obtain a certification of the qualified portion of an alternating current transmission line pursuant to 15-6-157(1)(q), MCA, shall file an application on a form provided by the department pursuant to ARM 17.80.201. The application must contain the following information:

- (a) the name and address of the applicant;
- (b) a description of the line for which certification is sought, including its associated equipment and structures, including interconnections;
 - (i) for lines still under construction at the end of a tax year, this would be a general description of the complete line, with a more detailed description of that portion for which certification is sought;
- (c) a listing of all wage rates paid for construction of the transmission line in Montana, including its associated equipment and structures, including interconnections;
- (d) the date construction of the transmission line, as defined in 15-24-3102, MCA, was commenced in Montana;
- (e) the total transfer capability of the transmission line established through the Western Electricity Coordinating Council (WECC) path rating process, or for transmission lines which are not covered by the WECC path rating process, by the capability determined by the balancing authority under whose jurisdiction the line is;
- (f) a list of the Montana electricity generating facilities that are, or will be, class fourteen property under 15-6-157, MCA, for which a firm contract for transmission service, available throughout each year of the contract, has been obtained, including:
 - (i) the location, or proposed location, of each generating facility;
 - (ii) the period for which each facility has secured firm contract for transmission service throughout each year;
 - (iii) documentation of the amount of firm transmission on the line that has been secured for each generating facility throughout each year. If this amount is not the same throughout the year, the applicant shall describe the different amounts and the length of periods during which those amounts apply; and
 - (iv) name, address, and telephone number of contact person for each facility.

(2) The qualified portion of a transmission line will be based on the contracts for firm transmission in place at the time of application for the initial ten years of commercial operation, according to the following criteria:

(a) The qualified portion of a line for which the amount of rated transfer capacity under firm contract for electricity generated at class fourteen generating facilities is constant throughout the year is that amount divided by the total transfer capability of that line established through the applicable path rating process conducted either by WECC or the balancing authority;

(b) The qualified portion of a line for which the amount of rated transfer capacity under firm contract for electricity generated at class fourteen generating facilities varies throughout the year is the weighted average determined according to the following formula: (amount for first period x number of days in period + amount for next period x number of days in period . . .)/365;

(c) For deliveries to load on the line using firm transmission contracts for a blend of power from multiple generating facilities, the amount that is deemed to come from class fourteen facilities is the percentage of a delivery equaling the percentage of the annual energy portfolio of the commodity provider that is generated from class fourteen facilities located in Montana;

(d) For lines with a mix of contracts of different length, the qualified portion is the average rated transfer capacity under firm contract determined by the following formula: (annual amount for first contract x contract length during averaging period + annual amount of next contract x contract length during averaging period . . .) /length of averaging period. The averaging period for the initial certification will be the ten years following start of commercial operation.

(3) In making its certification determination, the department shall use the application and any other credible information available to the department.

(4) Ten years after a transmission line becomes commercially operational, the taxpayer shall submit to the department an update of the information required in (1)(e) and (f). Based on this information and any other credible information available to the department, the department shall determine the current qualified portion of the transmission line and reissue a certificate at that percentage.

(5) If the transmission line no longer has contracts for firm transmission of electricity operated at class fourteen facilities, the department shall revoke the certification. (History: 15-24-3116, MCA; IMP, 15-6-157, 15-24-3116, MCA; NEW, 2008 MAR p. 1027, Eff. 5/23/08.)

